

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

2006 JAN 23 P 3: 39

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
INC., AN ARIZONA CORPORATION, FOR
APPROVALS ASSOCIATED WITH A
TRANSACTION WITH MARICOPA COUNTY
MUNICIPAL WATER CONSERVATION
DISTRICT NUMBER ONE

DOCKET NO. W-01303A-05-0718

NOTICE OF FILING

Arizona American Water Company hereby files an original and 13 copies of a
Confirmation of Mailing and Affidavit of Publication.

RESPECTFULLY SUBMITTED on January 23, 2006.

Craig A. Marks
Corporate Counsel
Arizona-American Water
19820 N. 7th Street
Suite 201
Phoenix, Arizona 85024
(623) 445-2442
Craig.Marks@amwater.com

Original and 13 copies filed
on January 23, 2006, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies of the foregoing mailed
on January 23, 2006, to:

1 Teena Wolfe
2 Administrative Law Judge
3 Arizona Corporation Commission
4 1200 West Washington St.
5 Phoenix, Arizona 85007
6

7 Keith Layton
8 Attorney, Legal Division
9 Arizona Corporation Commission
10 1200 West Washington St.
11 Phoenix, Arizona 85007
12

13 Scott Wakefield
14 Chief Counsel
15 Residential Utility Consumer Office
16 1110 West Washington Street
17 Suite 220
18 Phoenix, Arizona 85007
19

20
21
22 By:



Courtney Appelhaus

THE ARIZONA REPUBLIC

THE ARIZONA REPUBLIC / Arizona Business Gazette

Advertising Invoice**REPRINT****Account Number**

6234452458ARIZ

Invoice #

M5440789601

Statement Date

01/05/06

Make Checks Payable To

The Arizona Republic
 Customer Accounting Services
 PO Box 300
 Phoenix, AZ 85001-0300

Please Pay This Amount**\$ 0.00**

ARIZONA AMERICAN WATER COMPANY
19820 N 7TH STREET
SUITE 201
PHOENIX, AZ US 85024-1694

For Billing Info

In Phoenix call: **602 444-8561**
 Out of Phoenix call: **800 331-9304**

V REP 850241694

DUE UPON RECEIPT**PAYMENTS and ADJUSTMENTS**

<u>Date</u>	<u>Ref#</u>	<u>Description</u>	<u>Payment Type</u>	<u>Amount</u>
01/05	6023074	Payment	Credit Card: ARIZONA AMERICAN WATER COMPANY	60.46
Total Paymts/Adjmts				(60.46)

AD CHARGES

<u>Pub Date</u>	<u>Description</u>	<u>Class Category</u>	<u>Class</u>	<u>Units</u>	<u>Times Run</u>	<u>Billed Units</u>	<u>Rate</u>	<u>Amount</u>
WHITE TANKS TREATMENT PLANT								
01/05	P-ABG - Daily	Miscellaneous-ABG	19	Lines	1			40.00
01/05	P-ABG - Daily	Miscellaneous-ABG	19	183.00	1	183	0.11	20.46
	Online Posting				1			0.00
Total Invoice Charges								60.46
Total Amount Due								0.00

AFFIDAVIT OF PUBLICATION

WHITE TANKS TREATMENT PLANT

Arizona Business Gazette

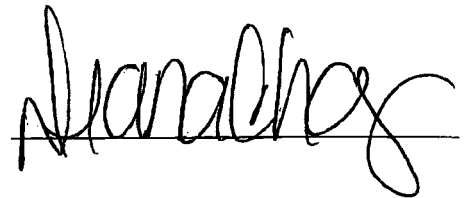
The business resource

PO BOX 194
Phoenix, Arizona 85001-0194
(602) 271-7300

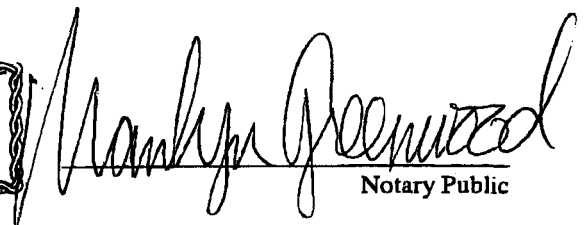
STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Diana Chavez, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published weekly at Phoenix, Arizona, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates indicated.

01/05/2006



Sworn to before me this
23rd day of
January A.D. 2006



Notary Public

**PUBLIC NOTICE OF HEARING
ON THE APPLICATION OF
ARIZONA-AMERICAN WATER
COMPANY FOR FINANCING
APPROVAL AND OTHER AP-
PROVALS ASSOCIATED WITH
A TRANSACTION WITH ITS
AGUA FRIA WATER DISTRICT
AND THE MARICOPA COUNTY
MUNICIPAL WATER CONSER-
VATION DISTRICT NUMBER
ONE**

(DOCKET NO. W-01303A-05-0718)

On October 11, 2005, Arizona-American Water Company ("Applicant") filed with the Arizona Corporation Commission ("Commission") an application for certain approvals associated with a transaction with its Agua Fria Water District and the Maricopa County Municipal Water Conservation District Number One ("MWD") in order to enable Applicant to obtain treatment at the planned White Tanks Plant of a portion of Applicant's Central Arizona Project ("CAP") Water allocation. MWD proposes to construct a regional water-treatment facility known as the White Tanks Plant to treat surface water delivered over CAP facilities. In association with the planned transaction with MWD, Applicant requests Commission approval of the issuance of evidence of indebtedness in the amount of approximately \$37,414,000 for a 40-year capital lease obligation with an interest rate of 275 basis points over the long-term Treasury bond rate; approval of the transfer of certain assets to MWD; and approval of proposed increases to and an extension of Applicant's existing CAP Hook-Up Fee tariff assessed to new-home construction. In association with the capital lease, Applicant also seeks Commission approval of its proposed ratemaking treatment and recovery method for capital and operating costs; and a prudence finding.

The Commission's Staff will make a recommendation to the Commission regarding Applicant's proposals. The Commission will determine the appropriate relief to be granted based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Company, Staff, or any intervenors and, therefore, the relief granted in this proceeding may differ from that requested by the Applicant. Copies of the application and proposed tariffs are available at the Company's offices, 19620 North 7th Street, Suite 201, Phoenix, Arizona 85024, and the Commission's offices for public inspection during regular business hours. Copies of all filings by all parties in this proceeding are also available on the Commission's website at www.cc.state.az.us using the eDocket function.

The Commission will hold a hearing on this matter beginning March 7, 2006, at 10:00 a.m., at the Commission's offices, 1200 West Washington, Phoenix, Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you would like to intervene, you must file a written motion to intervene with the Commission, and you must send copies of the motion to the Appli-

cant or its counsel, and to all parties of record in the case. Your motion to intervene must contain the following:

1. Your name, address, and telephone number, and the name, address, and telephone number of any party upon whom documents are to be served in your place, if desired.

2. A short statement of your interest in the proceeding (e.g., a customer of Applicant, a shareholder of the Applicant, etc.).

3. A statement certifying that a copy of your motion to intervene has been mailed to Applicant or its counsel and to all parties of record in the case.

Arizona Administrative Code R14-3-105 governs the granting of intervention in this proceeding, except that all motions to intervene must be filed on or before January 23, 2006. The granting of intervention, among other things, will entitle an intervenor to present sworn evidence at hearing and to cross-examine other witnesses, and to be mailed copies of all filings made in the case. You do not need to intervene in order to appear at the hearing and make a statement for the record, or to file written comments in the record of the case.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may write the Consumer Services Section of the Commission at 1200 W. Washington St., Phoenix, AZ 85007, call 1-800-222-7000, or appear at the hearing and provide comment.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602/542-3931. E-mail

lhogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.
Published: January 5, 2006

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
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DISTRICT NUMBER ONE

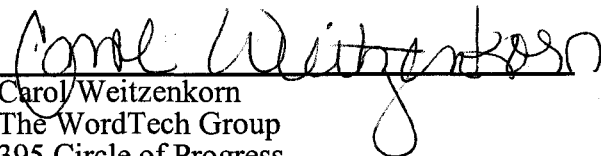
DOCKET NO. W-01303A-05-0718

MAILING CONFIRMATION

Confirmation of Carol Weitzenkorn

1. I am employed by The WordTech Group as a Job Administrator.
2. Based on a mailing list provided to me by Arizona-American Water Company, I caused a copy of the attached notice to be mailed to customers in the Company's Agua Fria Water District on January 9, 2005.
3. A copy of the certified Consolidated Postage Statement for the mailing is also attached.

Dated January 11, 2006.


Carol Weitzenkorn
The WordTech Group
395 Circle of Progress
Pottstown, PA 19464

Post Office:
Note Mail Arrival Date & Time

Mailer

Entry Point: (1) POTTSTOWN, POTTSTOWN, PA 19464
Presort: ALL

Permit Holder's Name and Address and Email Address, If Any WORDTECH GROUP P. O. BOX 516 POTTSTOWN PA 19464 CAPS Cust.Ref.No. 14467 Dun & Bradstreet No.	Telephone (610) 326-7200	Name and Address of Mailing Agent (If other than permit holder) WORDTECH GROUP P. O. BOX 516 POTTSTOWN, PA 19464 Dun & Bradstreet No.	Telephone (610) 326-7200	Name and Address of Individual or Organization for Which Mailing is Prepared (if other than permit holder) ROWLAND 40600 Dun & Bradstreet No.
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Mailing

Post Office of Mailing POTTSTOWN PA 19464	Mailing Date 01/09/2006	Fed Agency Cost Code	Statement Sequence No. 0001 to 0002	No. and type of Containers 9 -1' MM Trays 45 -2' MM Trays 0 -2' EMM Trays 54 -TTL Ltr Trays 0 -Flat Trays 0 -Sacks 0 -Pallets 0 -Other
Type of Postage <input checked="" type="checkbox"/> Permit Imprint <input type="checkbox"/> Precanceled Stamps <input type="checkbox"/> Metered				
Processing Category <input checked="" type="checkbox"/> Letters <input type="checkbox"/> Parcels <input type="checkbox"/> Flats <input type="checkbox"/> Automation Flats (DMM 301.3) <input type="checkbox"/> CMM		Weight of a Single Piece 0.0119 pounds	Total Pieces 35979	
Permit No. 129	For Mail Enclosed within Another Class <input type="checkbox"/> Periodicals <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail <input type="checkbox"/> Parcel Post	If Sacked, Based on <input type="checkbox"/> 125 Pcs. <input type="checkbox"/> 15 Lbs. <input type="checkbox"/> Both	Total Weight 428.1501	
Detached Address Labels? (DMM 602.4) <input type="checkbox"/> Yes <input type="checkbox"/> No				
For Automation Rate Pieces, Enter Date of Address Matching and Coding (DMM 708.3.3) 01/09/2006		For Enhanced Carrier Route Rate Pieces, Enter Date of Address Matching and Coding (DMM 708.3.3) 01/09/2006		For Enhanced Carrier Route Rate Pieces, Enter Date of Carrier Route Sequencing (DMM 245/345/445.6.10.1) 01/09/2006

Postage

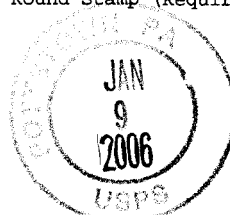
Parts Completed (select all that apply) <input checked="" type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> G <input type="checkbox"/> H <input type="checkbox"/> I <input type="checkbox"/> J <input type="checkbox"/> K <input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> S	Total Postage (Add parts totals)	\$ 7321.12
Rate at Which Postage Affixed (Check one) (DMM 244,344,444) <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither	pcs. x \$	= Postage Affixed \$
Net Postage Due (Subtract postage affixed from total postage)		\$
For USPS Use Only: Additional Postage Payment (State reason)		\$
For postage affixed add additional payment to net postage due; for permit imprint add additional payment to total postage.		Total Adjusted Postage Affixed \$
Postmaster: Report Total postage in AIC 130 (Permit Imprint only).		Total Adjusted Postage Permit Imprint \$

Certification

The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer, and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and that the mailing qualifies for the rates and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment. Privacy Notice: For information regarding our Privacy Policy visit www.usps.com

Signature of Mailer or Agent	Printed Name of Mailer or Agent Signing Form Don Price, Ext 234	Telephone (610) 326-7200
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USPS Use Only

Weight of a Single Piece <u>0.0115</u> pounds	Are postage figures at left adjusted from mailer's entries? <input type="checkbox"/> Yes <input type="checkbox"/> No	Round Stamp (Required) 
Total Pieces <u>35979</u> Total Weight <u>413.7585</u>	If yes, state reason.	
Total Postage <u>7321.12</u>		
Check One <input type="checkbox"/> Presort Verification Not Scheduled <input type="checkbox"/> Presort Verification Performed as Scheduled	Date Mailer Notified	Contact
I CERTIFY that this mailing has been inspected concerning: (1) eligibility for postage rates claimed; (2) proper preparation (and presort where required); (3) proper completion of postage statement; and (4) payment of annual fee (if required).		By (Initials)
Verifying Employee's Signature	Print Verifying Employee's Name	Time AM PM

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Standard Mail -- Letters and Flats

[X] Part A

Automation Rates -- Letters and Flats 3.3 oz. (0.2063 lb.) or Less

Entry	Rate Category	Rate	x	Number of Pieces	=	Total
None A1	5-Digit Letter	0.200	x	31521	=	\$ 6304.2000
A2	3-Digit Letter	0.214	x	1042	=	\$ 222.9880
A3	AADC Letter	0.223	x	373	=	\$ 83.1790
A4	Mixed AADC Letter	0.231	x	2823	=	\$ 652.1130
A5	3/5 Flat	0.275	x		=	\$
A6	Basic Flat	0.316	x		=	\$
DBMC A7	5-Digit Letter	0.178	x		=	\$
A8	3-Digit Letter	0.192	x		=	\$
A9	AADC Letter	0.201	x		=	\$
A10	Mixed AADC Letter	0.209	x		=	\$
A11	3/5 Flat	0.253	x		=	\$
A12	Basic Flat	0.294	x		=	\$
DSCF A13	5-Digit Letter	0.173	x		=	\$
A14	3-Digit Letter	0.187	x		=	\$
A15	AADC Letter	0.196	x		=	\$
A16	3/5 Flat	0.248	x		=	\$
A17	Basic Flat	0.289	x		=	\$
						Part A Total
						\$ 7262.4800

[X] Part B

Presorted Rates -- Letters and Flats 3.3 oz. (0.2063 lb.) or Less

Entry	Rate Category	Rate	x	Number of Pieces	=	Total
None B1	3/5 Letter	0.261	x	162	=	\$ 42.2820
B2	Basic Letter	0.282	x	58	=	\$ 16.3560
B3	3/5 Flat	0.304	x		=	\$
B4	Basic Flat	0.363	x		=	\$
DBMC B5	3/5 Letter	0.239	x		=	\$
B6	Basic Letter	0.260	x		=	\$
B7	3/5 Flat	0.282	x		=	\$
B8	Basic Flat	0.341	x		=	\$
DSCF B9	3/5 Letter	0.234	x		=	\$
B10	Basic Letter	0.255	x		=	\$
B11	3/5 Flat	0.277	x		=	\$
B12	Basic Flat	0.336	x		=	\$
						Part B Total
						\$ 58.6380